# CORPORATE INFORMATION MANAGEMENT

# FOCUS ON: FUNCTIONAL INFORMATION MANAGEMENT

## BRIEFING TO

# THE EXECUTIVE LEVEL GROUP

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Director, Corporate Information Management

September 11, 1990

# INTRODUCTION

Good morning! I am very pleased to have the opportunity to talk to you about functional information management and about the functional groups that we have put in place to implement this initiative. Functional Information Management or FIM is the Corporate Information Management concept applied to functional areas.

The purpose of my presentation this morning was to provide you with an update to my February discussion with you. In preparation for my original talk, I sent ahead some reading material, which included a briefing book, a products book, and today, I am also providing you a third book which contains an updated version of the process guide and charters for the four functional steering committees and for the CIM Council. The briefing charts included in the book represent a complete set.

After my conversation with David yesterday, I decided to re-orient my planned presentation to you. I agreed with David Hill that I should defer that presentation to a later time, in view of this meeting's pressing agenda. However, I am prepared to discuss in-depth the process and procedures used by the group at the next earliest opportunity.

Today I will review some of the key events since the Corporate Information Management (CIM) initiative was established, share with you our thoughts on some opportunities and challenges. Then I will discuss the roles and responsibilities of the groups participants and the oversight structure. To explain the roles and responsibilities of the group members in the context of what they do, according to the process guide. Wherever possible, I will relate to the organizational structure and functions that were discussed yesterday. Next, the group leaders will describe their experience with the groups, share with you their phase I products, give you a status on where they are, and share with you their individual challenges and opportunities.

With me today are 4 of the 8 functional group leaders, and the CIM/FIM's for each of the respective areas. The biographies of the presenters are found at the back of the briefing book. I would like to just take a few minutes to introduce to you the people I have brought with me:

- Dr. Michael Mestrovich,
  Mike is the group leader for the Medical Functional Group. Before coming to lead the Medical functional group, he was the Deputy Assistant Secretary of Defense for Health

Management Systems. He was also the program manager that brought about one of our success stories in standard integrated information systems in the health arena.

- Mr. Vance Kauzlaurich

    Vance is the deputy group leader for the <u>Medical</u> functional group. He was formerly the Director of Information Resources Management for the Deputy Assistant Secretary of Defense for Health Management Systems. Vance has extensive knowledge of health systems.

- Mr. Ken Schefflen,
    Ken is the group leader for the <u>Civilian Human Resources (otherwise known as the Civilian Personnel) functional group.</u> Prior to becoming the CIM group leader, he was the Director for Defense Manpower Data Center, which is the repository for a number of corporate databases in a number of areas.

- Mr. Joe Stormer

    Joe is the deputy group leader for the <u>Civilian Human Resources</u> functional group. Prior to becoming part of this team, he was the senior personnel officer with the Defense Mapping Agency. He has experience in many areas of

personnel including recruiting, career management, employee relations, labor relations, etc.

- Ms. Susan Williams,

  Susan is the group leader for the <u>Civilian Payroll</u> functional group. Prior to becoming the leader for this functional group, she was a senior systems accountant responsible for standards and policy relating to civilian pay systems within the Directorate for Accounting Policy in the Office of the DoD Comptroller.

- Mr. Ed Grysavage

  Ed is the deputy group leader for the <u>Civilian Payroll</u> functional group. He has extensive government and private sector experience in the standardization of payroll and personnel systems.

- Mr. Peter O'Toole,

  Pete is the group leader for the <u>Distribution CEnter (otherwise known as Warehousing)</u> functional group. Prior to becoming the leader for this group, Pete was a senior materiel distribution policy analyst with the OSD's Supply Policy Directorate, within the Office of the

Assistant Secretary of Defence for Production
and Logistics.

- Ms. Phyllis Campbell

    Phyllis is the deputy group leader for the
    <u>Distribution Center</u> functional group. She has a
    comprehensive background in the logistics
    arena, including warehousing, shipping, depot
    management and information systems.

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- KEY EVENTS SINCE INITIATIVE WAS ESTABLISHED: (see GANTT chart)
  - ●● EXECUTIVE LEVEL GROUP FOR HIGH LEVEL REVIEW ACROSS DOD ESTABLISHED
  - ●● CIM DIRECTORATE ESTABLISHED UNDER ODC (IRM)
  - ●● CIM STAFF DRAFTS MANAGEMENT PLAN AND PROCESS GUIDE
  - ●● INITIAL FUNCTIONAL GROUPS IDENTIFIED AND ESTABLISHED
  - ●● EIGHT FUNCTIONAL GROUPS EXAMINING AND DOCUMENTING BUSINESS METHODS, AND DEVELOPING PROCESS AND DATA MODELS FOR EACH OF THE 8 SELECTED FUNCTIONAL AREAS

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## *GANTT CHART*

I'd like to focus next on some key events since the initiative was established on October 4, 1989, by highlighting the following in this Gantt chart:

- Following the establishment of my directorate on October 17, we prepared a draft Management Plan within a week;

- We finished the first version of the process guide that is currently being used by all 8 functional groups in less than 2 months.

- We convened the first two prototype groups in December 1989. The subsequent 6 groups were convened between March and June.

- 4 Functional Steering Committees were chartered in July and August, 2 of them have convened. By the end of this month, all 4 Functional Steering Committees will have convened to provide policy and functional directions to the functional groups.

## OPPORTUNITIES AND CHALLENGES

- FUNCTIONAL INFORMATION MANAGEMENT AS A CHANGE AGENT
- COMPLEXITY OF PROBLEM: SIZE, MULTIPLE SCENARIO (WAR/PEACE)
- WINDOW OF OPPORTUNITIES
  - •• TIME URGENCY: WINDOW IS NARROWING
  - •• QUICK SUCCESSES NEEDED
- INSTITUTIONALIZATION OF CIM REQUIRED FOR:
  - •• PROGRAM STABILITY
  - •• RESOURCES COMMITMENT FROM ACROSS THE DEPARTMENT
  - •• LONG TERM BENEFITS ACCRUAL
- FUNCTIONAL MANAGEMENT AND SERVICES COMMITMENT FOR INFORMATION MANAGEMENT CRITICAL TO SUCCESS OF INFORMATION MANAGEMENT
- INTEGRATION ACROSS FUNCTIONAL AREAS CRITICAL

With 10 months of experience behind me, I'd like to comment on some of the opportunities and challenges before us, as we move further into the implementation of functional information management.

First and foremost, we see the implementation of information management as a catalyst for change. We are asking the functional people to examine, in a structured manner, the way they do business, and we are asking them to find more effective ways of doing business, to propose eliminating non-value added functions and processes, and simplifying their business methods.

This represents a cultural change. Our culture today is much more oriented towards information technology efficiency rather than information management effectiveness, and that is manifested in

the strong systems focus at all levels. It is a challenge to get the point across that the focus in functional information management is understanding the information needed to manage that function.

The role of the CIM <u>functional information manager (or CIM/FIM)</u>, in this context, is to <u>serve as a catalyst</u>, <u>to enable</u> via a structured process, and <u>to encourage</u> the functional experts to examine their business methods across the Department. It is the task of the <u>functional manager (or leader of the group)</u> to propose improved and simplified ways of doing business via his/her functional policy chain of command.

What we are asking the functional people to do is not entirely new. There have been many such efforts in the past, some with more success than others. However, most of them were done with a system focus; and none of them were in the scale that we are doing here.

Aside from the scale of the effort, we are also dealing with the size of the function within DoD, added to that, the complexity of the function in times of war and peace. But scale, size, and multiple scenarios are only small facets of the complexity of the problem. Another aspect of the complexity of the problem is the

fact that we started looking at 8 discrete functional areas.

The issue of <u>functional integration</u> is an absolute critical element of the overall program. <u>Functional integration or crosswalking between and among the functions</u> must be coordinated from a central perspective, and that task currently resides in my office. In order to address in a logical and coherent manner the issue of functional integration, it is necessary to have a larger blueprint, or an <u>Enterprise model</u> that shows where all the functions fit together, and where and how they must link together.

We know that we have a <u>very small window of opportunity, and that window is narrowing more each day</u>. The nature of structured assessment of business methods is time and resource-intensive, so we must find ways of achieving some quick successes, be it via the adoption of interim systems, or causing immediate changes in functional practices to improve the effectiveness or efficiency of the function itself. However, it is also critical that the effort to find alternative quick successes does not divert attention from the main goal of reaping long term benefits in the function through improved, simplified business methods.

These last few months have demonstrated that functional information management is viable, and that its success must not depend on windows of opportunities. Corporate Information Management should be institutionalized so that we may reap the long term benefits that this DoD-wide initiative will provide. Institutionalization is necessary to provide program stability, and to signal across the Department that information management is not a whimsical aberration, but a sound management tool.

To a large degree we owe our accomplishments thus far to the very highest level of support and commitment that we have received, beginning with Mr. Atwood, and most specifically, through my chain of command, Mr. O'Keefe, Mr. Shycoff, and Ms. Kendall.

And as Mr. Atwood pointed out in one of his welcoming talks to the functional groups, this effort is headed for success because it is in the hands of the DoD functional experts. Therefore, it is our challenge to maintain a high level of commitment and support by the functional managers and the services to this effort. In so doing, we look forward to obtaining the needed long term people and resources commitment from across the Department.

Now, I'd like to turn to a discussion about the organization structure in place to manage and to oversee the activities of the functional groups.

- RESPONSIBILITIES ALLOCATED (see organization chart)
  - FUNCTIONAL INFORMATION MANAGEMENT UNDER NEW CIM DIRECTORATE
  - SUPPORT FOR ELG UNDER DIRECTORATE FOR REVIEW & CONTROL
  - INFORMATION SYSTEMS IMPLEMENTATION UNDER NEW DIRECTORATE FOR INFORMATION SYSTEMS STRATEGIES
- PROTOTYPE APPROACH SELECTED FOR ESTABLISHING FUNCTIONAL GROUPS

## ORG CHART

In terms of who is involved in supporting CIM, let me turn to this first organization chart . Overall implementation of the CIM initiative rests on Cindy Kendall's shoulders. Assisting her directly in that task are three of her staff directorates: Review and Control, Corporate Information Management and her newest directorate, Information Systems Strategies.

- Bill Leary, as the head for Review and Control supports her by providing staff support to the Executive Level Group;

- My organization supports Cindy by putting in place the process and the structure to implement the functional information management (FIM) concept, .

- Cindy's newest organization is the directorate for Information Systems Strategies, which was established in June of this year. Ron Oxley is leading that group. He has the responsibility for developing strategies for implementing

information systems, once the functional
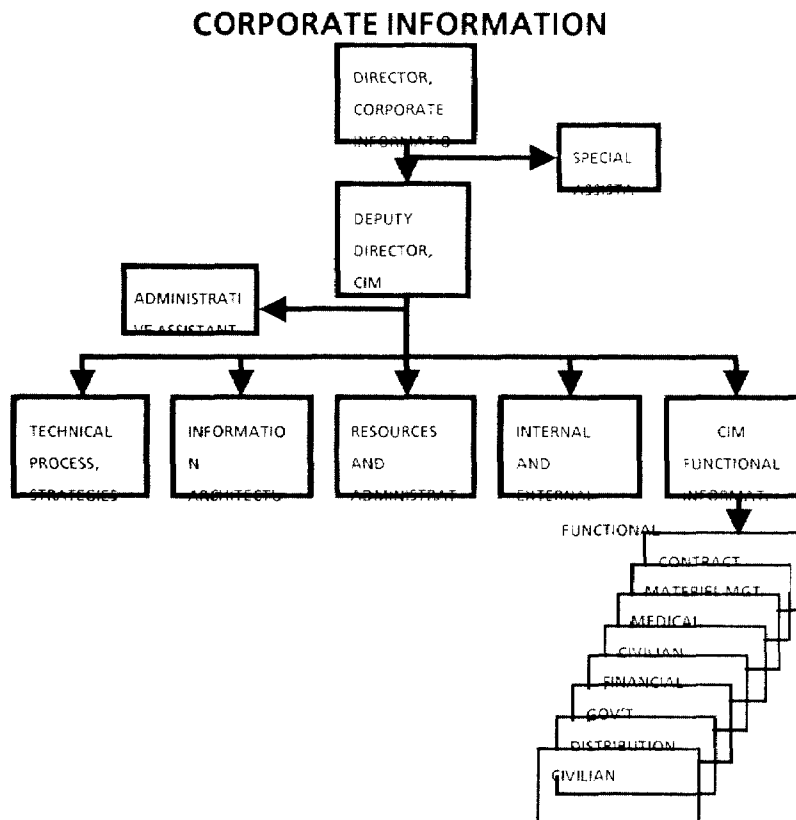requirements are produced by the functional
groups

- ORGANIZATIONAL STRUCTURE (see chart)

    -FUNCTIONAL GROUPS AS OPERATIONAL UNITS
    -CIM TASK FORCE FOR MANAGEMENT AND TECHNICAL GUIDANCE AND SUPPORT

Next, I want to focus on the work of my directorate. Mine is the central organization that is responsible for formulating the technical and management concepts and strategies for the functional groups,for providing them with technical and management direction, for ensuring technical consistencies, and process compliance, and for serving as the conduit for resolving technical and functional issues that cross functional lines.

I have organized my directorate into 5 teams, each responsible for a technical or management area that is critical for implementing functional information management. The teams address issues that cross cut the functional groups, and are responsible for putting in place the necessary tools, and providing the necessary support for the groups.

I have two teams that are specifically addressing what I call "technical" issues, and two teams that are addressing management issues. The fifth team is made up of the CIM/FIM's, who represent my organization in each of the functional groups.

**CORPORATE INFORMATION**

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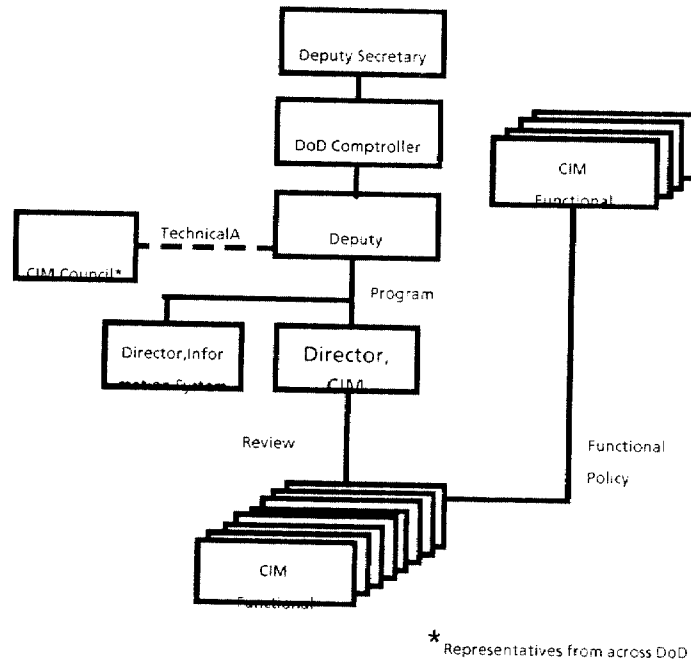CIVILIAN
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- Of particular interest are my teams dealing with strategies, process, and integration. This team manages the process and the methodology. This means that they maintain configuration control over the process and methodology used by the groups. Another important task of this team is to define the strategy for functional integration.

- The information architecture team works closely with the process and integration team in developing a coherent strategy for information/data integration. A key part of this team's work is to develop the Enterprise model, and

to provide assistance to the functional groups when they start doing data modelling.

- The team responsible for resources and administration is responsible for handling budgeting and people issues, setting up new groups, and providing the functional group with ongoing administrative and logistical support.

- We established a new team to serve as the internal and external liaison for my organization. We find there is a great amount of interest in what we do, and how we do it. This team is the central focus for dealing with everybody.

- And finally, my CIM/FIM's. Each of the members of this team goes with the functional group to which he/she has been assigned. More about the CIM/FIM's later.

- **MANAGEMENT OVERSIGHT (see chart)**
  - **-CIM TASK FORCE**
  - **-CIM COUNCIL**
  - **-FUNCTIONAL STEERING COMMITTEE**

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                            │ Deputy Secretary │
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*Representatives from across DoD

## MANAGEMENT AND ORGANIZATIONAL STRUCTURE
## ROLES AND RESPONSIBILITIES

- FUNCTIONAL GROUPS
  - •• LEADERS FROM OSD FUNCTIONAL POLICY OFFICE
  - •• FUNCTIONAL INFORMATION MANAGER (DEPUTY) FROM CIM
  - •• FACILITATOR FROM NDU/IRMC
  - •• PARTICIPANTS REPRESENTING COMPONENTS (A,N,AF, MC, DLA, AND OTHER DEFENSE AGENCIES)
  - •• DATA ADMINISTRATOR FROM WITHIN GROUP
  - •• SOFTWARE SUPPORT (CONTRACTOR)
    - **DOCUMENT BUSINESS PROCESSES, INVESTIGATE NEW WAYS OF DOING BUSINESS
    - ** DEVELOP FUNCTIONAL REQUIREMENTS FOR BUSINESS AREA FOR DEVELOPING INFORMATION SYSTEM

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Before I go into the discussion on the oversight structure, I'd like to say a few words about the functional groups composition, and the participants roles and responsibilities.

- In each group, we ask for a senior executive or a flag level leader from the OSD functional office, with in-depth knowledge of the function from the policy, as well as the functional operation and management perspectives. This person is the representative on the group from the highest level of functional policy office within OSD, as such, he or she is the principal functional manager that would carry forward to the functional steering committee the proposals for improving the function's effectiveness and effectiveness.

- Serving as his/her deputy is a representative from my office, the CIM/FIM, who has a functional background, and generally has in-depth knowledge of the function to which he/she is assigned. The CIM/FIM serves as the overseer of the process and

methodology, ensures that the group documents the business methods, works closely with the group leader , and together, they stimulate the functional experts within the groups to examine their business practices, and to propose changes where needed. Together, these two leaders serve as an effective management team, and they provide the functional as well as the information management leadership necessary for the groups to accomplish their work.

- The participants in the groups come from Army, Navy, Air Force, Marine Corps, and Defense Agencies. They are experts in policy development, functional operation or functional management, and information systems supporting that function. We asked for, and we received the best, within their area of expertise, in their individual functional areas. They are tasked with examining the current ways they are doing business in their home organizations with the view of determining whether there are better, more efficient and effective, and simpler ways of doing business. They are challenged to envision a better way of doing business in the future, and they are asked to propose and recommend changes to their current practices in favor of simplified and more effective

ways of doing business, as well as proposing ways of removing impediments to better business practices.

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•     CIM COUNCIL
     •• CHAIRED BY DEPUTY COMPTROLLER (IRM)
     •• SENIOR DOD COMPONENTS IRM REPRESENTATIVES
          ** ADVISORY TO ODC (IRM) ON TECHNICAL ISSUES
          ** POINT OF CONTACT ON CIM ISSUES



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Very early in the CIM effort, we realized that we needed the technical advice and counsel of the senior leadership within the IRM community across the Services and DoD Components. Last January 24, we chartered the CIM Council, with the express purpose of having a forum for communication on CIM issues within the Department's IRM community; for discussing CIM implementation issues; and for serving as a focal point for information exchange related to CIM.

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•     FUNCTIONAL STEERING COMMITTEES
     •• CHAIRED BY ASSISTANT SECRETARIES OF DEFENSE
     •• COMPONENTS REPRESENTATION
          ** FUNCTIONAL POLICY OVERSIGHT AND DIRECTION
          ** PRODUCTS REVIEW AND APPROVAL
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Next I would like to spend some time on the Functional Steering Committees. This is the functional executive-level group with respect to functional matters. In terms of the ability to implement change, this is the most critical body in this oversight structure.

The Functional Steering Committees are responsible for providing functional policy and functional

management guidance to the groups, they review and approve their products, resolve functional issues, and take necessary actions <u>on those proposals they accept</u> from the functional groups, and make necessary functional changes.  This may take the form of forwarding legislative proposals, approving functional policy changes .

Each of the functional steering committee is chaired by the Assistant Secretary of Defense within that functional policy area.  And the membership on the Functional Steering Committees are his/her counterparts in the Military Services and Defense Agencies.

The Functional Steering Committees were chartered between July and August of this year.  There are 4 of them at the present time:

- The <u>Financial Management Functional Steering Committee</u> is chaired by the Sean O'Keefe, the Chief Financial Officer for the Department, and the members are the Financial Managers for the Services and Comptroller of DLA.  This functional steering Committee  has cognizance over 4 functional groups: Civilian Payroll, Contract Payment, Financial Operations, and Government Furnished Material.

- The Human Resources Management Functional Steering Committee is chaired by Mr. Christopher Jehn, the ASD(FM&P), and the members are his counterpart in the Services and Defense agency. This Steering Committee has cognizance over the Civilian Personnel functional Group.

- The Medical Functional Steering Committee is chaired by Dr. Mendez, the ASD(Health Affairs), and the members in his committee are the Surgeon generals of the Services, and the Assistant Secretaries in Services for manpower, personnel, and reserve matters. This Steering Committee has cognizance over the Medical functional group.

- The Production and Logistics Functional Steering Committee has decided it will have multiple steering committees. One of the Steering Committee will be the Materiel Management Steering Committee. It is being chaired by Ms. Morales, the Deputy Assistant Secretary for Logistics. Members in this committee are her counterparts in the Services and Defense Agencies. Her Committee has cognizance over two groups: Distribution Center and Materiel Management.

OVERALL FIM PROGRAM MANAGEMENT CONCEPTS

- MANAGEMENT OF THE FUNCTIONAL GROUPS
  - •• OPERATIONAL MANAGEMENT PERFORMED BY GROUP LEADER
  - •• TECHNICAL, PROCESS, AND ADMINISTRATIVE GUIDANCE AND DIRECTION BY DIRECTOR, CIM
  - •• GENERAL PROGRAM MANAGEMENT GUIDANCE BY DC(IRM)
  - •• POLICY GUIDANCE, DIRECTION, AND OVERSIGHT BY FUNCTIONAL STEERING COMMITTEES
- DECISION-MAKING PROCESS WITHIN GROUPS
  - •• DECISIONS REGARDING DAY-TO-DAY FUNCTIONAL GROUP ACTIVITIES MADE AT GROUP LEVEL
  - •• INFORMATION/DECISIONS COMMUNICATED UPWARD
  - •• COORDINATION WITH OTHER CIM GROUPS FOR INTEGRATION AND FOR SHARING PURPOSES
  - •• GENERALIZABLE DECISIONS IDENTIFIED WITHIN CIM TASK FORCE, AND ADDRESSED BY SPECIAL WORK TEAMS
- PROJECT MANAGEMENT PROCESS
  - •• FORMAL
    - IN-PROCESS REVIEWS FOR PRODUCT QUALITY ASSURANCE AND READINESS TO PROCEED
    - PRESENTATIONS TO FUNCTIONAL STEERING COMMITTEES
  - •• INFORMAL
    - INTEGRATION THROUGH FIM NETWORK
    - PRESENTATION TO CIM COUNCIL

In terms of the kind of management guidance that the groups get, the day to day technical and management guidance is provided by the leader/deputy leader of the functional groups, I provide overall technical and process guidance. Cindy provides overall program guidance to me, and when the groups have functional issues and require functional guidance, they obtain that from the functional steering committee.

I conduct periodic in-process reviews with each of the groups to determine whether the groups are ready to proceed to the next step, and I conduct these reviews

to determine the quality of the products, in view of the process that I have established.

More informally, I also hold what I call "town hall meetings" with the individual groups to encourage good communication, and to try to resolve any issues that might impede the progress of the groups.

The CIM/FIM's have formed a network for functional integration issues. And the groups have each formed an integration team, because this is such a critical issue.

- ESTABLISH FUNCTIONAL GROUPS TO DOCUMENT BUSINESS METHODS WITHIN FUNCTIONAL AREAS, AND SERVE AS CATALYST FOR ASSESSING NEW AND MORE EFFECTIVE AND EFFICIENT WAYS OF DOING BUSINESS
- EMPHASIS ON FUNCTIONAL LEADERSHIP AND PARTICIPATION
- LONG-TERM, FULL-TIME PARTICIPATION BY GROUP LEADER AND MEMBERS IN DEVELOPING PRODUCTS FOR EACH FUNCTIONAL AREA.  FOCUS ON:
  - BUSINESS METHODS DEFINITION AND DOCUMENTATION
  - INNOVATIVE FUNCTIONAL VISION TO FRAME FUNCTIONAL DATA AND PROCESS MODELLING
  - DEVELOPMENT OF STABLE FUNCTIONAL PROCESS AND DATA MODELS AS A PREREQUISITE FOR DEVELOPING COMMON INFORMATION SYSTEMS
- USE OF CONSISTENT PROCESS AND METHODOLOGY TO DEVELOP FUNCTIONAL REQUIREMENTS FOR A COMMON SYSTEM TO SUPPORT THE FUNCTIONAL AREA

Now that I have talked about the organizational structure, and the oversight structures, I'd like to spend a few minutes talking about the overall approach for implementing functional information management.

The single fundamental premise of this effort is that the functional people are the drivers in functional information management.  They  know their business needs best, and therefore, the functional people are the ones that need to be leading this wagon train.

So, we designed the groups in such a way that an executive-level senior OSD functional person lead each of the functional group effort, and that the participants all come from the functional community, within DoD.

This approach is different than traditional information systems requirements definition efforts within the Department of Defense in several respects:

1) Participants from the functional policy and operation areas are the ones defining how their function will be operating in the future, throughout the Department, not just within a small pocket or within a service or component. The functional people are driving this effort, not the information technology people.

2) The groups focus on defining and documenting the way they do business, that is, their business methods, as opposed to the way that an information system is implemented to "support" the way they do business.

3) We challenge the groups to be visionary in how they see their function in the year 2000, but this vision of the future must be anchored in the realities of today. We challenge the groups to dream and to develop a vision of their function that will take us to the next century. It is this vision that frames the rest of the process.

4) All the groups must use the same process and methodology so that there is a consistent framework

for defining and documenting their business methods.
Another point of emphasis is standard nomenclature,
and standard definition of data.

PROCESS GUIDE OVERVIEW

- THREE PHASES FROM HIGH LEVEL STRATEGIC PLANNING THROUGH INFORMATION SYSTEMS REQUIREMENTS (see chart)
- EACH PHASE HAS PRODUCT OUTPUT WHICH IS MAJOR DECISION POINT PRIOR TO NEXT SEGMENT (see chart):
  - FUNCTIONAL VISION: COMBINATION OF BROAD GUIDANCE FROM FUNCTIONAL STEERING COMMITTEE AND THOROUGH ANALYSIS FACILITATED IN THE GROUPS
  - FUNCTIONAL BUSINESS PLAN: COMPOSITE OF ANALYSIS OF FUNCTIONS AND DATA REQUIREMENTS, WITH A BUSINESS CASE FOR EXECUTION, BASED ON ECONOMICS; INTERMEDIATE DECISION POINTS WITH GUIDANCE FROM THE FUNCTIONAL STEERING COMMITTEE
  - IMPLEMENTATION STRATEGY: PROGRAM CONCEPT AND REQUIRED ACTIONS WITH TRANSITION CONCEPT
- EACH PHASE IS INITIATED BY DEVELOPING COMMON UNDERSTANDING OF THE BUSINESS AREA AND THE DIRECTION FOR THE PHASE (AND GREATER LEVELS OF DETAIL)
  - -MISSION/SCOPE
  - -SITUATION ANALYSIS
  - -FUNCTIONAL PLAN ASSESSMENT

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The groups use the process guide both as a technical and a management tool. It provides the necessary structured discipline, instructions, explanations, and formats to allow the groups to document their business methods, to define their processes, and to determine their data requirements.

The emphasis on standard data definition and naming conventions is to ensure that those groups that require linkages with one another will have a common understanding of the meaning and usage of the data.

I'd like to give you some overview comments on the process guide.

The first version of the process guide was completed in December, 1989, in time for the two prototype groups to begin. The eight groups have all been using version I of the process guide until last month. The groups are now working with a revised draft version II of the process guide. We are updating the process guide as a result of lessons learned from the first 8 groups, and in response to comments received from a wide variety of sources, both inside and outside of the Department. The update of the process guide began two months ago, we are approximately 85% complete. I anticipate having a completely revised process guide by the end of this month.

The book in front of you have the completed revision of phases I and II, but an unchanged version of phase III.

The chart that you see is different in details and in emphasis from the one I showed you in February, but it is not different in concept. Let me review the differences between the December version and the August/September versions of the process guide:

- The dual information and process focus is strengthened. The December version was weak in the information/data focus, and let the process drive the information and data models.

- Emphasis on economics and making the business case, early on in the process. We now begin to collect cost data at the beginning of phase II. In the December version, there was no requirement for making a business case, and cost data was not collected until almost the completion of phase III.

- Recognition that we cannot start with a "blank-sheet approach," whether for functional purposes or for systems purposes. The "middle leg"of the process, the composite (of current) functional analysis, was expanded so that the groups can determine whether we can reap near-term functional benefits, by proposing simplification or modification to functional policy, procedures, or process.

- Detailed assessment of current systems capabilities against composite requirements to determine whether there might be an interim system that can be used, to evolve to the future system

- Corrected consistency problems in shifting views from present to the future. This was a problem in the first version.

The new version, like the December version, has three phases, that takes us from the high level strategic planning through the detailed functional requirements that are produced at the end of phase 3.

- In phase I, the critical product is the vision, because that vision drives the rest of the group's efforts.

- In phase II, the critical product is the functional business plan, which is the culmination of the analysis in both the process and the data requirements, with a business case for the execution.

- Finally phase III, culminates in an implementation strategy for the information system that will support this functional area.

The process has three paths:

- The left hand path is the vision-driven path, and defines and documents the function the way it will be in the future.

- The middle path is to first document the way that the Components are currently doing their business, and then to do an assessment designed to determine whether current ways of doing business can be simplified, improved, changed, removed.

The result of this assessment is the composite requirements. This composite requirements often necessitates changes in functional policies and operation in the near term. These change proposals must be brought before the functional steering committees for approval.

- The <u>right hand path</u> is to do an assessment of the current systems inventory supporting this functional area. Based on that inventory, then a capabilities assessment against composite functional requirements must be done to determine if there is a best fit for an interim/or a baseline system that can be used in evolving to the ultimate system. Of all the tasks in the process guide, this path can be done by someone else, not necessarily the group members.

All three paths have to be done. The question is whether to do it concurrently or in sequence. Because of our time constraints, I have asked the groups to accelerate the process by forming teams to work on all three paths concurrently. Because the left path and the middle path are both strictly functional policy and functional operation related, it must be done with the talents in the groups, while events within the last month indicate that an outside information system

executive agent/lead agency may take over the task of doing the information systems path.

Each phase culminates in a product that serves as a major decision point prior to the next phase. At the very minimum, these products are presented to the Functional Steering Committee for approval. Other intermediate products requiring functional policy changes or functional operation changes will also need to be approved by the Functional Steering Committee.

- EIGHT FUNCTIONAL GROUPS CURRENTLY OPERATIONAL

| | |
|---|---|
| CIVILIAN PAY | CIVILIAN PERSONNEL |
| DISTRIBUTION CENTER | MEDICAL |
| FINANCIAL OPERATION | GFM |
| MATERIEL MANAGEMENT | CONTRACT PAYMENT |

- COMPOSITION OF THE 8 GROUPS, BY COMPONENTS ARE SHOWN IN ATTACHED CHART
- CURRENT STATUS OF THE EIGHT GROUPS

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Let me briefly comment on the status of the eight groups that we have convened thus far.

- All eight groups have completed at least one version of the phase I products.

- In half of the cases, I have redirected the groups to go back and revisit those products, because of scoping and consistency problems.

- The two prototype groups have already completed over 50% of phase II, but because of the new version of the process guide, they have to revisit those products and do a consistency mapping as well as go back to fill in the holes that were there because of the earlier version of the process guide.

- Two of the groups have officially received the approval from their functional steering committees to proceed. Two more are scheduled to appear before their functional steering committees for approval of their products

- The remaining groups will go before their functional steering committees as their products become ready.

- The eight groups show a wide range in estimated completion time. In general, the groups with more narrowly defined scope estimate completion within the 12-15 months window, while the more complex functions are estimating up to 36 months completion time.

- Availability in late September of a complete version III of the process guide should remove some of the uncertainties in the groups

- INFRASTRUCTURE NEEDS TO BE IN PLACE
    - -FUNCTIONAL STEERING COMMITTEES
    - -SUPPORT STAFF
- COORDINATION WITH KEY INFLUENCERS
    - -POLICY DEVELOPMENT (e.g., data standards)
    - -COMPONENTS
    - -PUBLIC RELATIONS (GAO, press)
- QUALITY ASSURANCE AND CONFIGURATION MANAGEMENT
    - -PROCESS GUIDE
    - -OUTPUTS
    - -SUPPORT TOOLS

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These past 10 months, we have learned a number of very valuable lessons. As we were learning these lessons, we were taking steps to remedy them, and to plow back into our planning so that new groups did not get adversely affected by past mistakes.

We found it to be critical to have the infrastructure in place as early as possible. The prototype functional groups had to proceed with their work without the benefit of their respective functional steering committees until very recently.

The support staff for getting these groups established is critical. Without them, the best laid plans could go wrong.

PLANS FOR FUTURE

- MANAGEMENT
    - -SUSTAINING MANAGEMENT STRUCTURE
- OPERATIONS
    - -ENTERPRISE MODEL AND INTEGRATION
    - -PROCESS STRENGTHENING
- RELATIONSHIPS
    - -LIAISON WITH COMPONENTS
- CONSTRAINTS THAT STILL EXIST
    - -STAFFING LEVELS
    - -FACILITIES

We feel that with institutionalization of the CIM program, we will be able to achieve a sustaining management structure to support the work of these and future groups.

In terms of the operation aspect, as integration becomes crucial, the development of the Enterprise model will become pivotal. In order to progress with this effort, we must involve executive level management. We now have a the foundation for this work begun within my organization, but much more needs to be done.

The process methodology needs to be placed under configuration control, and aggressively managed, so that there is no time lag in between version updates.

Our relationship with the Services and DoD Components must be strengthened so that we can sustain the support needed to make this effort a joint success. Likewise, our relationship to external agencies, the public, and the press also needs to be managed. There is substantial misunderstnding about what CIM is and is not today. Most think of CIM as an information-technology driven initiative. A strong liaison function will help .

Perhaps my biggest challenge these past 10 months has been to get the appropriate types of talents working in this program. We have a large pool of talents in information technology, but few that we can attract with the right kind of information management and modelling expertise I need. That will remain our biggest constraint.

## OPPORTUNITIES AND CHALLENGES

- FUNCTIONAL INFORMATION MANAGEMENT AS A CHANGE AGENT
- COMPLEXITY OF PROBLEM: SIZE, MULTIPLE SCENARIO (WAR/PEACE)
- WINDOW OF OPPORTUNITIES
  - •• TIME URGENCY: WINDOW IS NARROWING
  - •• QUICK SUCCESSES NEEDED
- INSTITUTIONALIZATION OF CIM REQUIRED FOR:
  - •• PROGRAM STABILITY
  - •• RESOURCES COMMITMENT FROM ACROSS THE DEPARTMENT
  - •• LONG TERM BENEFITS ACCRUAL
- FUNCTIONAL MANAGEMENT AND SERVICES COMMITMENT FOR INFORMATION MANAGEMENT CRITICAL TO SUCCESS OF INFORMATION MANAGEMENT
- INTEGRATION ACROSS FUNCTIONAL AREAS CRITICAL

## V. FUNCTIONAL GROUP STATUS REPORT

**MEDICAL**
Dr. Mike Mestrovich

**CIVILIAN PERSONNEL**
Mr. Ken Schefflen

**CIVILIAN PAYROLL**
Ms. Susan Williams

**DISTRIBUTION CENTER**
Mr. Peter O'Toole